
Chapter 5 - Vendor Relations

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VENDOR RELATIONS AND AGENCY ROLES

Agency Roles

Local agencies are the primary point of contact between vendors and the WIC Program. An effective working relationship between a local agency and the authorized WIC vendors in its service area is essential. This assures satisfactory food delivery to the agency's WIC participants. In larger agencies with sufficient staff, one staff person should be designated as the agency's vendor liaison.

The state agency Vendor Coordinator provides technical assistance to local agencies and authorized vendors on vendor matters. The state agency Director is responsible for over-all policy and decisions regarding Alaska authorized WIC vendors. The following is a list of agency roles:

Activity Application	State Agency	Local Agency
	<ul style="list-style-type: none"> • Authorize/re-authorize vendors. 	<ul style="list-style-type: none"> • On-site inspection of vendor applicant.
Training	<ul style="list-style-type: none"> • Provide training to local agencies. • Provide/develop training materials. 	<ul style="list-style-type: none"> • Conduct interactive training.
Monitoring	<ul style="list-style-type: none"> • Provide training to local agencies. 	<ul style="list-style-type: none"> • On-site monitoring of vendors.
Investigation	<ul style="list-style-type: none"> • Monitor high risk vendors. • Conduct inventory audit. 	<ul style="list-style-type: none"> • Investigate participant/vendor complaints. • Serve as local contact for vendor. • Conduct compliance buy, mystery shopper or educational buy.
Administration	<ul style="list-style-type: none"> • Monitor food package cost. • Monitor warrant redemption. • Track monitoring visits and trainings conducted by local agencies. • Apply sanctions. • Bill vendors for overcharges. • Vendor hearings. • Maintain vendor files. 	<ul style="list-style-type: none"> • Orient WIC participants on how to shop with WIC warrants.

VENDOR AUTHORIZATION AND SELECTION

Vendor authorization is required. Only businesses that are authorized as WIC vendors by the state agency may redeem WIC warrants.

**Vendor
Authorization**

The state agency authorizes a sufficient number and distribution of vendors to assure reasonable participant convenience and access. The state agency considers vendor applications on an on-going basis.

Authorization Process

The following steps are taken in the process of authorization of a new vendor:

1. Vendors wishing to participate in the WIC Program should contact the State WIC Vendor state. The contact information for the WIC Vendor Staff is as follows:

WIC Program
Section of Maternal, Child & Family Health
Department of Health & Social Services
130 Seward Street, Room 508
Juneau, AK 99801
ATTN: WIC Vendor Coordinator
Phone: (907) 465-3100
Email address: wic@health.state.ak.us
2. Upon receipt of the vendor's request, and if a vendor is needed in that area, an information packet will be mailed to the applicant vendor within 10 days. The information packet will include a WIC Vendor Application and Price Sheet which must be completed and returned to the address listed above. The WIC Price Sheet information will be reviewed to determine competitiveness of prices. The packet will also include the WIC Food List, a vendor manual, vendor guide and video.
3. A pre-agreement on-site visit is made by a WIC representative for all initial vendor applications. The local agency representative must complete the Pre-Agreement On-Site Vendor Visit Report and Price Sheet and send them to the state agency Vendor Coordinator. The visit will determine if:
 - There is sufficient stock of WIC food items;
 - The submitted prices are accurate;
 - The location of the store is accessible to WIC participants;
 - Fresh merchandise is available and the store is clean;
 - Vendor understands information contained in the information packet, including the WIC Vendor Manual; and
 - Vendor's state and local operating licenses or permits are current.

Copies of these forms are included at the end of this chapter. The local agency representative should remind vendors that this is a pre-agreement inspection only, and that they are not yet authorized to redeem WIC warrants until notified by the state agency.

4. A report of the visit is then reviewed by the State WIC Office. The WIC Vendor Coordinator will make a determination concerning the offering of an

<p>Vendor Selection Criteria</p>

Agreement. If an agreement is offered, the vendor will be mailed a WIC Vendor Agreement for signature.

5. The signed WIC Vendor Agreement is returned to the State WIC office for countersignature by the State WIC Director. A copy of the countersigned Vendor Agreement will be returned to the vendor.
6. The Vendor will be notified of the date they may begin accepting WIC warrants. The vendor must not accept WIC warrants before this date.

Vendor Selection Criteria

The following criteria are used in reviewing vendor applications:



Accuracy and Completeness

All information in the application must be accurate and complete. Vendor applications must be signed in ink.



Minimum Stock of WIC Foods

The applicant must agree to stock all of the required WIC foods at all times in the quantities, sizes, and brands specified in the WIC vendor agreement.



Competitive Prices and Price Limitations

Prices must be comparable as well as be within the price limitations of vendors in similar geographic area and/or volume of business.



Accessibility To Participants

The applicant must be located in an area where a minimum of 10 WIC participants routinely shop and must be open at least 8 hours per day, 6 days per week.



Business Integrity

Vendors may not be authorized if the current owners, officers, or managers have been convicted of or have had a civil judgment during the last 6 years for the following:

- fraud, antitrust violations, embezzlement, theft,
- forgery, bribery, falsification or destruction of records,
- making false statements, receiving stolen property,
- making false claims, or obstruction of justice.



Food Stamp Compliance

The State agency may not authorize a vendor applicant that is currently disqualified from the Food Stamp Program or that has been assessed a Food Stamp Program civil money penalty for hardship and the disqualification period that would otherwise have been imposed has not expired.



Review of Inspection Report

The on-site inspection report certifies that the applicant meets WIC vendor criteria and documents that initial vendor training has been performed.

**Application
Approvals &
Disapproval**

Approval/Disapproval of Applications

Based on the information provided in the WIC vendor application and the on-site inspection report, the state agency will approve or disapprove the WIC vendor application. All vendors will be notified in writing regarding the status of their application. Vendors applicants that are denied authorization may appeal the decision to the Director of Public Health.

**Vendor
Agreements**

The final step in becoming a WIC vendor is the submission of a signed vendor agreement by the vendor to the state agency. The vendor agreement must be signed by a vendor representative who has legal authority to obligate the vendor. If the vendor is part of a corporate chain, a vendor agreement must also be in effect for the corporation. Original agreements are kept on file by the state agency. Once authorized, the vendor is assigned a vendor number for administrative purposes, and provided with a copy of the signed Vendor Agreement.

The vendor must not begin cashing WIC warrants until after the agreement has been signed by the state WIC Director and the vendor has been notified by the state agency that the agreement has been signed and warrants may now be cashed by the vendor.

**Vendor
Reauthorization**

Vendor Re-authorization

Vendor agreements are in effect for two years from October 1, or initial date of authorization, through September 30. At the state agency's discretion they are renewed at the beginning of each biennial year. At least thirty days prior to the expiration of a vendor agreement, the state agency will send a notice of re-authorization to the vendor if in good standing with WIC requirements.

**Minimum
Stock for Small
Rural vendors**

Minimum Stock Requirements for Small Rural Vendors

Rural vendors provide an alternative to mailing monthly food boxes to rural and "bush" participants. There are many advantages of having a local store in small villages. Participants and local agencies do not have the problems of lost or damaged food boxes, and participants have access to fresher foods. Shopping for WIC foods is a practical nutrition lesson, in which participants must pick out the most nutritious foods, such as 100% fruit juice and low sugar cereals, from the variety of choices available on a grocery shelf.

Because of the small number of participants as well as other customers served by these vendors, they may be exempted from some of the WIC minimum stock requirements for infant formula, infant cereal and/or fresh milk.

Local agencies, in partnership with vendors, make the recommendation to the state agency that a small rural vendor be given some or all of these exemptions. The local agency recommendation should be made after a meeting with the vendor applicant during the on-site inspection visit by local agency staff, which is made as part of the application process for new vendors.

The decision to exempt a vendor from some of the WIC minimum stock requirements is made by the state agency, and becomes part of the Vendor Agreement with the state. This decision is reviewed biennially as part of the Vendor Agreement reauthorization process. The exemption status of a vendor can also be changed during the year. For example, if a vendor originally agreed to stock infant formula but later found that redemptions for formula were too low and formula stock was going out of date, the local agency could make a recommendation to the state agency that the vendor's exemption status be changed. If however there is a need for formula, the local WIC agency will inform the vendors to stock the formula at their store. Vendors must then stock the formula within 72 hours of local WIC agency request.

Local agencies must carefully monitor the performance of these small rural vendors. Formal or informal vendor site visits must be made when agency staff travel to these villages to provide participant services. Reports of any problems from participants or health care providers in villages require immediate local agency follow-up by telephone or an on-site visit. If the local agency determines that the vendor is not in compliance with minimum stock or other WIC Program requirements, the state agency should be notified. Written warnings, sanctions, suspension or disqualification may be imposed by the state agency in cases where the vendor does not take acceptable action to rectify the situation.

VENDOR TRAINING

Vendor training consists of interactive training, educational buys, refresher training and annual training. Local agencies are provided by the state office with training on how to conduct vendor training and as well as training materials such as vendor guide, video and training outline.

Interactive Vendor Training

Interactive training is provided to vendors at the time of initial authorization, and at least once every 3 years. All new vendors must receive an interactive training prior to being authorized to redeem WIC warrants. Initial vendor training is designed to provide new WIC vendors with an extensive and thorough overview of program rules and regulations. The store manager must also be provided with additional initial interactive training. Managers will receive further orientation and explanation of vendor responsibilities that includes a review of:

- All sections of the WIC Vendor Manual, giving particular emphasis to the vendor agreement and maintaining minimum inventory requirements at all times.
- The vendor's responsibility for training employees.

The interactive vendor training must cover the subject areas contained in the WIC Vendor Training Outline. Tools for training vendors include the vendor training

Interactive Vendor Training

outline, vendor video, the “Cashier Instructions for Accepting Alaska WIC Warrants”, and the “Cashier Quiz” from the WIC Vendor Manual.

Educational Buys

Educational Buys

An educational buy is a training tool that may be used during routine monitoring visits. The local agency is encouraged to have a WIC representative conduct a mock redemption of a WIC warrant with one of the vendor’s cashiers. This should be done with the prior knowledge of the store manager. This will assist in determining if the WIC transaction is being handled according to proper procedures and provide cashiers and managers an opportunity to improve performance should problems be detected. Once the transaction is concluded, the representative will discuss the results of the buy with the store manager. If problems are detected, refresher training should be conducted. Documentation of this training should be done on the vendor monitoring form included at the end of this chapter.

Refresher Training

Refresher Training

Refresher training may take place during routine monitoring visits to strengthen and update vendor and cashier knowledge concerning WIC warrant processing procedures. Vendors needing training assistance should be identified prior to site visits whenever possible. Refresher training occurs with the cooperation of authorized vendors and works best with advance notice and coordination. Refresher training may be requested by the vendor or it may be mandated by the state agency for vendors with a history of program errors and/or violations. Documentation of this training should be done on the vendor monitoring form included at the end of this chapter. Refresher training may include the subject areas in the Vendor Training Outline. Refresher training must include dedicated time with the store manager. Particular emphasis should be given to program compliance.

Annual Training

Annual Training

Annual training is provided to vendors through the quarterly vendor newsletters. Vendors are informed of program changes and new vendor regulations through the newsletters. Correspondence and teleconferences may also be used for annual training.

Vendor Training Outline

The following subject areas must be covered during the interactive training provided to vendors at the time of initial authorization, and at least once every 3 years.

VENDOR TRAINING OUTLINE

Subject Area	Training Content	Training Tool
I. Purpose and Mission of the WIC Program	The goal of the WIC Program is to promote optimum health and nutrition for pregnant women, women who have just had a baby, breastfeeding women, infants and children up to age five. The WIC Program provides free nutritious foods, nutrition counseling and health referrals to participants who meet income guidelines and have a nutrition risk.	WIC...Growing Healthy Families in Alaska (pamphlet)
II. Health and Nutrition Benefits of the Program	The many health and nutrition benefits of the WIC Program are: ❖ Nutrition education ❖ Healthier babies ❖ Prevents anemia ❖ Improves mental and physical growth ❖ Saves health care dollars	
III. Role of WIC Vendor	Vendors are valued partners in the delivery of WIC services to participants. Through the vendors, WIC participants receive foods that provide essential nutrition needed for health and growth.	
IV. WIC approved foods A. Selection of WIC approved foods	WIC foods are designed to supplement the nutrients greatly needed during critical periods of growth and development. These nutrients are protein, iron, Vitamin D, Vitamin C, Vitamin A and calcium. Other factors taken into consideration in selecting WIC foods are sugar content, fiber, preservatives, artificial color, flavor and sweeteners, fortification, packaging, price and availability.	Vendor Manual: Food List with Cashier Instructions for Accepting Alaska WIC Warrants

<p>B. Alaska WIC Food List</p>	<p>The Alaska WIC Food list specifies the <u>TYPE</u> and/or <u>BRAND</u> of allowed WIC foods. Substitutions are not allowed because the WIC foods are selected to meet certain nutritional needs of WIC participants.</p> <p>WIC provides specific brands of infant formula because WIC receives rebates from formula manufacturers.</p> <p>Keep a copy of the Alaska WIC Food list at each check stand as reference for cashiers.</p>	
<p>C. Minimum Stock Requirements</p>	<p>By signing the WIC vendor Agreement, the vendor agrees to stock the minimum required stock of WIC foods at all times. All these foods must be within the manufacturer's expiration date. The types of foods must be from the WIC Food List.</p> <p>Vendors in rural locations with population of less than 5,000 are required to stock UHT, powdered and evaporated milk only, and are not required to stock fresh milk, infant formula or infant cereal. Local WIC Agency will inform vendors if infant formula and infant cereal is needed to be stocked. Vendor must stock items within 72 hours of Local WIC Agency request. Pharmacies must maintain a minimum formula stock and must provide special formula(s) within 72 hours.</p>	<p>Vendor Manual: Vendor Agreement/ Section VIII: Other Vendor Responsibilities</p>
<p>V. WIC warrants A. Local agency issuance</p>	<p>WIC participants can be issued up to <u>three</u> sets of warrants at one time, that would cover a three month period. A month's set of warrants can contain 4 individual warrants. WIC warrants are time sensitive. Participant can <u>only redeem</u> the warrants during the dates specified on the warrant, which is good for 30 days.</p>	<p>Vendor Manual: WIC Warrant</p>

	WIC warrants need to be stamped with the vendor's WIC vendor number. Number stamps are unique for each vendor. The State WIC Office provides the vendor number stamp.	
B.WIC warrant transaction process	<p>Discuss the transaction process as specified in the cashier instruction for accepting WIC warrants. Administer Cashier Quiz.</p> <p>Vendors are required to deposit WIC warrants within 90 days from the first date of issue of the warrant.</p>	<ul style="list-style-type: none"> ❖ WIC Vendor video <i>"Healthy, Happy and Strong: A Guide to WIC Purchases"</i> ❖ Cashier instruction for accepting Alaska WIC Warrants ❖ Vendor Manual: WIC Cashier Quiz
VI. Vendor monitoring	Vendor monitoring is performed to determine compliance with the vendor agreement and federal regulations.	Vendor Manual: Vendor Monitoring Form
VII. Price sheets	Price sheets need to be completed twice a year and submitted to the State Office no later than September first and March first of every year.	Vendor Manual: Price Sheet Form
VIII. Program Violations	<p>The State WIC Office conducts random inspection of WIC warrants monthly to assess vendor compliance and training needs. The types of program violations include:</p> <ol style="list-style-type: none"> 1. Vendor Errors These may be inadvertent errors and vendors will be offered additional training. 2. Monetary Claims By The State Monetary claims will be made by the State WIC office on warrants redeemed outside valid dates and overcharges. 3. Penalty Points Penalty points are applied on program violations based on the severity and nature of the violation. Accrual of 40 points within a contract period will subject the vendor to one year disqualification. 	Vendor Manual: Vendor Agreement/ Section X: Sanctions for WIC Vendor Violations

	<p>4. Mandatory Federal Sanctions Federal mandatory sanctions will be imposed for significant program abuse.</p> <p>5. Civil Money Penalty (CMP) Civil Money penalties (CMP) may be imposed in lieu of permanent disqualification due to trafficking in WIC warrants or selling firearms ammunition, explosives or controlled substances if the State agency determines that the disqualification would result in (a) inadequate participant access or (b) the vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking; and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.</p> <p>The State WIC office cannot impose CMP in lieu of disqualification for third or subsequent sanctions for violations of Mandatory Federal Sanctions.</p> <p>6. Food Stamp Coordination Food Stamp and WIC program violations may lead to reciprocal disqualification from either program.</p>	
IX. Complaint Report	Problems with customers should be reported on the Complaint Form.	Vendor Manual: Complaint Form
X. Customer Service	<p>Providing good customer service is important in handling WIC sales. WIC checks can take a little longer to process and participants, just like other customers, are sometimes unsure of their purchases. The vendor should offer the same courtesies and services as offered to other customers. The following tips can help make processing the WIC warrant easier:</p> <p>❖ Create a good impression. Customers develop trust</p>	

	<p>and confidence during their initial visit at the store.</p> <ul style="list-style-type: none">❖ Have the Alaska WIC Food List handy. Customers expect help in finding the right WIC food items.❖ Be friendly.❖ Be approachable.❖ Smile sincerely.❖ When dealing with an upset customer, take responsibility and offer your help. You may also call your local WIC agency for assistance.	
XI. Changes from Last training conducted	Discuss with the vendor any new changes that have occurred since the last training conducted.	

VENDOR MONITORING

Monitoring of vendors is done through routine monitoring and compliance investigations. Local agencies conduct routine monitoring. Compliance investigations consist of compliance buys and inventory audits. Compliance buys are conducted in the urban areas by local agencies. Inventory audits are performed by the state agency.

Routine Monitoring

Routine Monitoring

Local agencies serve as the first point of contact when vendors have questions or concerns. Local agencies must make every attempt to address and resolve routine problems before referring the vendor to the state agency.

The local agency conducts routine store visits to determine compliance, provide training if needed and investigate participant complaints. The state agency provides training to local agency on how to conduct a monitoring visit. The state agency also tracks the monitoring visits conducted by the local agency.

Local agencies in rural areas are expected to monitor 50%, and in urban areas 5%, of all authorized vendors in their region annually. Vendors may be selected for monitoring based on program abuse, complaints, non-compliance of any of the provisions of the vendor agreement or to enhance the cooperative partnership between the WIC Program and the vendor. Monitoring visits may be scheduled in advance or unannounced. After a monitoring visit, a completed Vendor Monitoring form must be submitted to the state agency Vendor Coordinator.

During a monitoring visit, a local agency representative will:

- Introduce themselves and inform the store manager of the purpose of the visit.
- Determine if the minimum inventory level is on hand.
- Observe a WIC participant redeeming a WIC warrant or question a cashier about the procedures followed for accepting WIC warrants. Cashier staff must be able to explain all the procedures outlined on the “Cashier Instructions for Accepting Alaska WIC Warrants”. The local agency representative documents findings on the Vendor Monitoring form.
- Review any redeemed WIC warrants the vendor has on hand to determine if warrants are completed properly.
- Discuss and explain the nature of any violations found. Explain that the results of the monitoring visit will be reported to the state agency.
- Document all violations found. Provide a narrative regarding how the vendor plans to correct any deficiencies detected.
- The vendor monitoring form must be signed by both the local agency representative and the store manager. The completed monitoring form is then submitted to the state agency Vendor Coordinator.

Participant Complaints

Participant Complaints

When participants report having problems with WIC vendors, the local agency must contact the vendor directly to collect all pertinent information regarding the incident. Whenever possible, complaints should be resolved informally by the local agency. The local agency will complete and forward to the State Vendor Coordinator the Alaska WIC Program Complaint Report form included at the end of this chapter. For situations involving possible fraud or abuse, the local agency must refer matters to the state agency Vendor Coordinator for investigation.

Mailout Vendor Monitoring

Monitoring of Mailout Vendor

The state agency is responsible for on-site monitoring of the Mailout Vendor. Local agencies should fax all participant complaints on mailed food boxes to the Mailout Vendor, with a copy to the state agency Vendor Coordinator, on the Mail Out Food Package Report form included at the end of this chapter. Complaint reports will be placed in the vendor's file at the state agency. Complaints received are tallied and analyzed by the vendor coordinator. The mailout vendor is provided feedback on the complaints.

If the complaint is not resolved promptly, the local agency should notify the state agency Vendor Coordinator.

High Risk Vendors

High Risk Vendors

Despite the best efforts of the state and local agencies to train and monitor vendors, some vendors may attempt to abuse the WIC Program. The state agency is responsible for investigating possible vendor fraud or abuse, and for taking appropriate administrative action in accordance with federal regulations.

The local agency must follow up on all complaints regarding any type of vendor violation or error. Vendor violations and errors may be identified during routine monitoring, or through reports from program participants.

Review of warrant redemption is conducted yearly by the state agency to determine high risk vendors. One or more of the following will cause the vendor to be placed in the high risk category:

- ⇒ Very high average amount for warrant type.
- ⇒ Very large percentage of high warrant amounts.
- ⇒ Very low variation in warrant amounts.
- ⇒ Very high percentage of checks redeemed for the same amount.
- ⇒ Very low variation in the absolute or percentage difference between paid amount and the maximum (not to exceed amount)
- ⇒ Other indicators:
 - large increase in dollar volume of warrants redeemed over time by a vendor
 - large number of vendor complaints

- large number of at risk participants redeeming warrants with the vendor
- The vendor continues to make multiple warrant redemption errors despite local agency assistance and/or refresher training.

Compliance Investigations

Investigations

The state agency in coordination with the local agency will conduct compliance investigations on five percent of all authorized vendors. Training is provided by the state agency. Forms for compliance investigation are incorporated in the compliance investigation manual. Compliance investigation will also be conducted on all high risk vendors. These investigations will consist of some or all of the following.

- Compliance buy(s) / Secret shopper
- Review of vendor's inventory records

Compliance Buys

Compliance Buys

Posing as a WIC participant, a representative of the local agency may conduct undercover purchases at authorized vendor stores. The appropriate local agency will be asked by the state agency to issue warrants for this purpose. The investigator will attempt to conduct either a safe buy, short buy, minor substitution, or return a product for refund. The investigator will complete a written report and photograph the items purchased for evidence. All the foods purchased during the compliance buy will be donated to a charitable organization. If the compliance buy items are not needed as evidence, they may use it for nutrition education purposes. Store managers will be contacted directly and informed of the results of the compliance buy. An administrative warning or sanction point letter may be generated if appropriate.

Secret Shopper

Secret Shopper

The secret shopper is a form of vendor integrity investigation wherein an undercover WIC participant purchases WIC foods without attempting to commit errors. The purpose of a secret shopper buy is to monitor correct warrant cashing procedures. Vendor training will be provided for vendor errors identified during the secret shopper buy. The Secret Shopper Form and Procedures and Handout are at the end of this chapter.

The local agency roles in the secret shopper project are:

- identify participants who are willing to be a secret shopper once per quarter
- provide orientation on how to conduct a secret buy and the responsibilities of a secret shopper
- photocopy the warrant/s that the WIC participant will use for the secret buy
- submit to the state office the following:
 - ✓ secret shopper report form completed by the WIC participant
 - ✓ photocopy of the warrant used for the secret shopper buy
 - ✓ receipts of the secret buy, if available

The state office has the responsibility of monitoring secret shopper buys. Payment for services performed by the secret shopper will also be the responsibility of the state office. The secret shopper will be paid \$25.00 per secret buy. The secret shopper may use one or all of their warrants during the secret buy. The state office will send a congratulations letter to the manager of the store where the cashiers perform procedures correctly. An award pin and card for the cashier who performed correct warrant cashing procedures will also be sent to the store. If the cashier does not follow correct procedures, managers will be notified of problem areas.

The secret shopper will perform the following tasks:

- purchase all foods listed on the WIC warrant in the quantities and types listed
- select the correct WIC foods
- present the warrant at the checkout counter
- observe WIC cashing procedures
- submit a completed secret shopper report form within five working days to the local agency
- if available, submit receipts of the secret buy to the local agency

Inventory Record Review

Review of Vendor Inventory Records

The state agency may require a vendor to furnish annual inventory records for review as evidence of purchase of WIC food items by small rural vendors. The number of WIC participants in the community will be compared to the amount of WIC foods stocked. The inventory of records will also compare the warrant redemption by food category versus warrants redeemed by the store.

VENDOR VIOLATIONS

Sanctions

The state agency may apply sanctions against vendors who violate WIC Program regulations, based on the severity and nature of the violations, whether the violations represent repeated offenses over a period of time, and whether the violations represent vendor policy. In addition, any vendor disqualified from the USDA Food Stamp Program will also be automatically disqualified as a WIC vendor.

Local agencies must advise the state agency in writing of any abuses indicative of possible fraud or abuse of which they may become aware. Abuse of the program by a vendor is just cause for termination of a vendor agreement. Lesser penalties will be applied or administrative action may be taken, depending on the severity of the program violation.

Prior to disqualifying a vendor, the state agency will make a determination to ensure adequate participant access to WIC supplemental foods. In areas where participants do not have access to another WIC vendor, the violative vendor may be imposed civil money penalties in lieu of disqualification. However, the State

agency may not impose a civil money penalty in lieu of disqualification for third or subsequent mandatory sanctions.

The State will include documentation of its participant access determination and any supporting documentation in the file of each vendor who is disqualified or receives a CMP in lieu of disqualification. Participant access will be considered inadequate if:

- 1) Participant cannot travel to another authorized vendor within a maximum distance of 15 miles; or
- 2) Participant is unable to access another authorized vendor by the road system. (e.g. participant will need to fly by plane or travel by boat to reach another WIC vendor); and
- 3) Mailing of WIC food boxes is not viable in the area

The state agency will notify the WIC Program Food and Consumer Service, USDA, when a vendor is disqualified from the Alaska WIC Program.

The state WIC Director will determine the specific sanctions to be applied and action to be taken, and will notify the vendor in writing of the action taken and of the right to appeal. A copy of the letter will be sent to the appropriate local agency. The effective date of the suspension or disqualification of a vendor will be designated in the letter of notification to the vendor. An appeal of suspension or disqualification will not have the effect of delaying the effective date of the action, unless the Director of Public Health determines otherwise. A disqualified vendor may apply for recertification at the end of the disqualification period. A vendor's history of noncompliance with WIC Program procedures, policies and regulations will be used as a criterion in determining whether such vendor is eligible to have a new WIC Vendor Agreement with the state agency. The vendor's history of noncompliance with the Food Stamp Program will also be considered.

Errors

The state agency understands that most violations of WIC Program regulations made by vendors are the result of error or misunderstanding of regulations, not deliberate fraud or abuse. Vendors will be notified of errors, and will be offered additional training opportunities by the appropriate local WIC agency. If errors continue, and it appears that efforts to deal with them through education are not effective, the state agency may take administrative action such as placing the vendor on probation or may lead to disqualification.

**Vendor
Errors**

Errors of this type include but are not limited to the following:

- Collecting sales tax on WIC purchases.
- Accepting WIC warrants outside of the valid dates shown on the warrant.
- Requiring a customer to make a cash purchase to redeem a WIC warrant.

- Refusing to accept manufacturers' coupons for WIC purchases.
- Giving cash refunds for WIC purchases.
- Other errors in carrying out the routine provisions of the vendor agreement.

Monetary Claims

Monetary Claims

The State WIC Office will make monetary claims against a vendor for redemption of warrants outside of valid dates, overcharges or other errors affecting payment to the vendor. Monetary claims must be paid by the vendor within three weeks of notification. If a pattern of redeeming warrants outside of valid dates and overcharges continues, the State WIC Office may take administrative action such as issuing an administrative warning and/or placing the vendor on probation or disqualification. Monetary claims will be made by the State WIC office on any of the following:

- Redeeming a WIC warrant outside the 30-day period during which it is valid for redemption by a WIC customer. These dates are printed on all WIC warrants. The claim will be the whole amount of the warrant(s).
- Charging a WIC customer more than the current shelf price for an item. The claim will be the amount improperly charged for the item(s).

Penalty Points

Penalty Points

Penalty points will be applied to vendors who violate WIC Program regulations, based on the severity and nature of the violations, whether the violations represent repeated offenses over a period of time, and whether the violations represent vendor policy.

The following are subject to ten (10) penalty points for each single violation:

- Non-payment of monetary claims by the State WIC Office within 3 weeks of notification.
- Failure to maintain an acceptable record of inventory of WIC foods.
- Failure to maintain the required minimum inventory of WIC foods on at least two monitoring visits. A vendor may also be terminated if a pattern of not maintaining minimum stock inventory is not met.

Penalty points will accumulate for a two year vendor agreement period, and can result in the following:

20 points = 6 months probation
 30 points = 1 year probation
 40 points = 6 months suspension
 More than 40 points = 1 year disqualification

- Twenty penalty points in a two year period will subject a vendor to six months probation, during which time the vendor can continue to redeem WIC warrants. An administrative warning letter will be issued to the vendor and the vendor must provide a plan of action to correct the violation. Any errors noted during

the compliance buy(s) or audit will be added to points already accrued by the vendor.

- A total of 30 penalty points in a two year period will be grounds for one year of probation, during which time the vendor can continue to redeem WIC warrants. The vendor will be required to attend a mandatory training. Any errors noted during the compliance buy(s) or audit will be added to points already accrued by the vendor.
- A total of 40 penalty points in a two year period will be grounds for six months suspension. Effective on the date of suspension, the Vendor may not redeem any WIC warrants for 6 months.
- A total of more than 40 sanction points in a two year period will subject the vendor to one year of disqualification from the WIC Program. Effective on the date of disqualification, the vendor may not accept or redeem any WIC warrants for one year, and must reapply if they wish to become an authorized WIC vendor at the end of the disqualification period.

Mandatory sanctions

Mandatory Federal Sanctions

Mandatory federal sanctions or civil money penalties will be imposed by the State WIC Office for reasons of significant program abuse. Mandatory vendor sanctions are:

<u>Type of Sanction</u>	<u>Definition</u>
• Permanent disqualification	A vendor <u>convicted</u> of trafficking in WIC warrants or selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) in exchange for WIC warrants.
• Six year disqualification	<u>One incidence</u> of buying or selling WIC warrants for cash (trafficking); or one incidence of selling firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, in exchange for WIC warrants.
• Three-year disqualification	The State agency shall disqualify a vendor for three years for: <ol style="list-style-type: none"> (a) One incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC warrants; or (b) A pattern of claiming reimbursement for the sale of an amount of a specific WIC food item which exceeds the store's documented inventory of that WIC food item for a specific period of time; or (c) A pattern of charging WIC customers more for WIC food items than non-WIC customers or charging WIC customers more than the current shelf or contract price; or (d) A pattern of receiving, transacting and/or redeeming WIC warrants outside of authorized channels, including the use of an unauthorized vendor and/or an unauthorized person; or (e) A pattern of charging for WIC food items not received by the participant; or (f) A pattern of providing credit or non-food items, other than

- alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, in exchange for WIC warrants.
- One-year disqualification The State agency shall disqualify a Vendor for one year for a pattern of providing unauthorized food items in exchange for WIC warrants, including charging for WIC food items provided in excess of those listed on the WIC warrant.
- Second mandatory sanction When a vendor, who previously has been assessed a sanction for any of the violations listed in this section, receives another sanction for any of these violations, the State agency shall double the second sanction.
- Third or subsequent mandatory sanction When a vendor, who previously has been assessed two or more sanctions for any of the violations listed in this section, receives another sanction for any of these violations, the State agency shall double the third sanction and all subsequent sanctions.

**Civil
Money
Penalties**

Civil Money Penalties (CMP)

Civil Money penalties (CMP) may be imposed in lieu of permanent disqualification due to trafficking in WIC warrants or selling ammunition, explosives or controlled substances if the State WIC office determines that the disqualification would result in (a) inadequate participant access or (b) the vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking; and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.

CMP are calculated based on the vendor's average monthly redemptions for at least a 6-month period prior to disqualification multiplied by 10 percent and by the number of months for which the store would have been disqualified. The CMP shall not exceed \$10,000 for each violation. In addition, the total amount of CMPs imposed for violations investigated as part of a single investigation shall not exceed \$40,000.

The State WIC office cannot impose CMP in lieu of disqualification for third or subsequent sanctions for violations listed in the section on Mandatory Federal Sanctions.

If a vendor does not pay, only partially pays, or fails to timely pay a CMP assessed in lieu of disqualification, the State WIC Office agency will disqualify the vendor for the length of the disqualification corresponding to the violation for which the CMP was assessed.

The State WIC Office will not accept voluntary withdrawal or non-reauthorization of contract from the Program as an alternative to disqualification for the violations, but will enter the disqualification on the vendor's record.

Coordination with Food Stamps

Food Stamp Program Coordination

The State agency shall disqualify a vendor who has been disqualified or assessed civil money penalty for hardship by the Food Stamp Program. WIC Disqualification due to Food Stamp program disqualification shall not be subject to administrative or judicial review under the WIC Program. A vendor may request an administrative review of a WIC disqualification based on an assessment of a civil money penalty for hardship by the Food Stamp Program.

Disqualification from the WIC program may result in disqualification as a retailer in the Food Stamp Program. Such disqualification may not be subject to administrative or judicial review under the Food Stamp Program.

Vendor Termination

Termination of Vendor Agreement

A decision by the State agency to terminate a Vendor Agreement/disqualification of vendor will be based upon mandatory federal sanctions or a finding that one or more of the following has occurred:

- The vendor has accrued more than 40 sanction points during a two year vendor agreement period;
- The vendor has knowingly submitted false, erroneous, or inaccurate information on the WIC Vendor Application, in the business or financial information provided to the Department, on the WIC Food Price Sheet, or during the course of on-site monitoring of the vendor site;
- The vendor has refused to allow WIC Program representatives access to inspect the vendor site during normal business hours;
- The vendor has not fulfilled the terms of the Vendor Agreement;
- The vendor has sold, leased, or discontinued the Business Entity or moved the Business Entity to a new location or new address; or
- The vendor corporation, partnership, or limited partnership has been voluntarily or involuntarily dissolved or the vendor sole proprietor has died.
- The State of Alaska identifies a conflict of interest between the vendor and the State of Alaska or its local agencies.
- The vendor fails to meet the current vendor selection criteria.

Appeals

Appeals

The State agency will provide vendors with not less than 15 days advance written notice by certified mail of adverse action to be taken during the course of the agreement performance period. Adverse action will be implemented after the 15 day advance notice period has elapsed.

A vendor may receive administrative appeal for the following: (except in cases of a reciprocal WIC disqualification as a result of Food Stamp Program disqualification):

- Deny a vendor's application to become an authorized WIC vendor.
- Impose penalty points on the vendor.
- Place the vendor on probation.
- Disqualify the vendor.
- Not re-authorize the vendor.

If the vendor chooses to appeal the action, the vendor must file a written appeal within 30 days with the Director of Public Health, Department of Health and Social Services, P.O. Box 110610, Juneau, Alaska 99811-0610. The appeal must include a statement setting forth the State agency action which the vendor is contending, and the reasons for appealing the action. Evidence supporting the vendor's statement should be included. A hearing will then be scheduled within 30 days of receipt of the request. The State agency will mail the notification of decision concerning an appeal to the vendor within 30 days after the date of the hearing. The vendor may appeal the decision through the courts.

Sanction Procedures

Procedures for Implementing Sanctions for Vendor Violations

The state agency is responsible for sanctions of vendors. Vendors will be notified in writing when sanctions are imposed, and a copy of the letter will be sent to the appropriate local agency.

The state agency will follow up on any type of violation or error identified during compliance buys or inventory audits. Violations may also be detected during state agency review of WIC warrants.

Vendors are required to reimburse the WIC Program for any overcharges, charges for items not received by WIC participants, moneys paid for products not authorized as WIC foods and any violations affecting payment to the vendor. These overcharges are to be paid to the state agency.

Suspension or Disqualification

Suspension or Disqualification

The effective date of a suspension or disqualification will be designated in a letter of notification from the state agency to the vendor. The vendor may re-apply for authorization after a disqualification period. There is no automatic reinstatement.

The state agency will notify the WIC Program, Food and Consumer Service, US Department of Agriculture when a vendor is suspended or disqualified.

State Agency Procedure for Termination of Vendor Agreement

When the termination of a WIC vendor's Agreement is to occur, the Department must notify the vendor. The notice will be in writing and will include a statement of the nature or the basis for adverse actions and a description of the right of the vendor to

appeal the adverse action and the right to a fair hearing. A copy of the letter will be sent to the appropriate local agency.

Food Pick-up Slip

FOOD PICK-UP SLIP

WIC vendors in remote villages with a population of less than 5,000 may provide WIC food pick-up slips for out of stock WIC food item/s to WIC participants. The food pick-up slip will be used if the vendor experiences stocking difficulty due to severe weather conditions and if a participant presents a food instrument within valid dates of redemption. Receipt of the out of stock item must be within the 30-day period that the warrant is valid. The food pick-up slip is a triplicate form with a control number and is issued by the manager/in-charge of the store. Vendors submit copies of issued and redeemed pick-up slips monthly. The State WIC Office will request reimbursement vendors for (1) WIC food items provided after the last day of the 30 day valid dates of the WIC warrant and (2) pick-up slips without proof of redemption by means of the participant's signature on the form. Food pick-up slip instructions for vendors and sample pick-up slip are at the end of this chapter.

VENDOR FORMS
ALASKA WIC VENDOR APPLICATION

Store Name _____ Date _____

Address _____ City/State _____ Zip _____

Mailing Address (if different from above) _____

Telephone _____ Email _____ Fax _____

Owner (please print) _____

Manager (If different from owner) _____

If owned by a corporation, please provide the following:

Corporation: _____

Address of Corporation _____

Contact Person of
Corporation _____

Corp. Office Phone: _____ Fax: _____

Number of Employees _____ Number of check-out lanes _____

Average annual gross sales \$ _____ FEIN _____

Check one: ☐ chain store ☐ food cooperative ☐ commissary
☐ franchise ☐ independent store ☐ pharmacy

Hours of Business: Sunday _____ Thursday _____
Monday _____ Friday _____
Tuesday _____ Saturday _____
Wednesday _____

How long have you operated this business at the present site? _____

What is the name and address of the bank where WIC warrants will be deposited?

Who is the primary wholesaler for WIC food items?

How are WIC food items delivered to your store (e.g. barge, by-pass mail, ferry)?

Have you operated this business under another name?

If yes, what was that name?

Have any of the current owners, officers or managers of the store been convicted of or had a civil judgment against them during the past six (6) years for: *(check any that may apply)*

<input type="checkbox"/> fraud	<input type="checkbox"/> falsification of records
<input type="checkbox"/> antitrust violations	<input type="checkbox"/> making false statements
<input type="checkbox"/> embezzlement	<input type="checkbox"/> receiving stolen property
<input type="checkbox"/> theft	<input type="checkbox"/> making false claims
<input type="checkbox"/> forgery	<input type="checkbox"/> obstruction of justice
<input type="checkbox"/> bribery	

(If any items above are checked, please attach a written explanation.)

Does this store have a scanner? ☐ Yes ☐ No

If this store has a scanner, will it be able to identify WIC authorized foods versus non-WIC foods? ☐ Yes ☐ No

Does this store now participate in the Food Stamp Program? ☐ Yes ☐ No

Current Food Stamp Authorization Number: _____

Have you ever been suspended from the Food Stamp Program? ☐ Yes ☐ No

If yes, please state when and explain why:

Please attach a completed “WIC Food Price Sheet” to this application.

ENDORSEMENT:

To the best of my knowledge, all of the above answers and the enclosed price list are correct. The prices enclosed are the ACTUAL PRICES FOR FOOD ON SHELVES. I understand that, should my store be accepted as a WIC Vendor, I will be bound by WIC Program regulations and policies including, but not limited to:

- 1.attending vendor education sessions;
- 2.training employees regarding WIC procedures;
- 3.submitting accurate price lists of WIC foods to the WIC Program
at least twice a year;
4. periodically being monitored for compliance; and
- 5.all other items in the WIC Vendor Agreement.

I understand that this is only a request for approval as a WIC Vendor and does not constitute approval to accept WIC warrants.

Signature: _____ Date: _____

Title: _____

"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discrimination on the basis of race, color, national origin, sex, age, disability.

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Bldg., 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider"

To Be Completed By State WIC Agency:

Are the food prices stated on the food price sheets competitive? ☐ Yes ☐ No









Status with Food Stamp Program: _____

Application approved? ☐ Yes ☐ No Number assigned: _____

Reason for denial or approval: _____

Action taken by: _____ Date: _____






Price Sheet

WIC FOOD PRICE SHEET					
Store Name _____		Store Manager Name _____			
Address _____		City _____		Zip Code _____	
Phone: _____		Fax: _____		Number of Checkstands _____	
				Vendor No. _____	
Signature of Manager _____				Date _____	
<i>Instructions: List prices for all WIC Food Items currently in stock at your store. If more than one size of the product is in stock, please provide prices for all sizes. List the most expensive price for general items such as beans, eggs, milk, etc. Please indicate if the required minimum stock is on your shelves by checking "yes" or "no" in the space provided.</i>					
Mail completed price sheet to:		State of Alaska, DHSS Div. of Public Health MCFH - Nutrition Services / WIC P.O. Box 110612 Juneau, AK 99811-0612		For assistance, contact Vendor Staff at (907) 465-3100 Fax: 907-465-3416	
				Rev. 2/03	
DRY BEANS/PEAS/LENTILS			Minimum Stock Requirements		
product	unit size	price per unit	Two varieties; total of four (4) 1 lb. bags		
Dry Beans	1 lb	\$	 		
Dry Peas	1 lb	\$			
Dry Lentils	1 lb	\$			
Mixed Bean Packs	1 lb	\$	Minimum stock on hand: Yes _____ No _____		
EGGS			Small, medium, large. White only. Total 8 dozen		
product	unit size	price per unit			
Small/Medium/Large	1 Doz	\$			
Small/Medium/Large	1-1/2 Doz	\$	Minimum stock on hand: Yes _____ No _____		
PEANUT BUTTER			Four - 18 oz. jars		
product	unit size	price per unit			
Peanut Butter	18 oz	\$	Minimum stock on hand: Yes _____ No _____		
TUNA AND SALMON			Tuna: 16 - 6 or 6.25 oz. cans AND Salmon: 8 - 14.75 oz. cans		
product	unit size	price per unit	 		
Tuna packed in water	6 / 6.25 oz	\$			
Tuna packed in oil (no olive oil)	6 / 6.25 oz	\$			
Canned Pink Salmon	14.75 oz	\$	Minimum stock on hand: Yes _____ No _____		
CARROTS			4 - 2 lb. bags fresh, or 8 - 1 lb. bags frozen, or 8 - 14.5 oz. cans		
product	unit size	price per unit	 		
Fresh Carrots	1 lb	\$			
Fresh Carrots	2 lb	\$			
Frozen Carrots	1 lb	\$	Minimum stock on hand: Yes _____ No _____		
Frozen Carrots	2 lb	\$			
Canned Carrots	14.5 oz	\$			

MILK

Minimum Stock Requirements: Total of 18 gallons fluid milk, or 54 quarts UHT or 80 quarts dry milk (when reconstituted), or 96 (12 oz.) cans of evaporated milk.

Minimum stock on hand? Yes _____ No _____ Exempt from stocking fresh fluid milk _____









 Fresh Milk		price per unit			Evap / UHT / Goat 		
		quart	1/2 gal	gallon			
Whole Milk	\$	\$	\$	product	size	price	
Skim Milk	\$	\$	\$	Evap Milk	12 oz	\$	
Low-Fat	\$	\$	\$	UHT Milk	1 qt	\$	
Ultra-Pasteurized (UP)	\$	\$	\$	Goat Milk	12 oz	\$	
Lactose Reduced	\$	\$	\$	Goat Milk	1 qt	\$	
Calcium Fortified	\$	\$	\$	 			
Protein Fortified	\$	\$	\$				
Acidophilus	\$	\$	\$				
Buttermilk	\$	\$	\$				
 Dry Milk (any brand)	size	price	other sizes (dry milk as reconstituted)				
	4 qts	\$	size	price	size	price	
	8 qts	\$		\$		\$	
	12 qts	\$		\$		\$	
	16 qts	\$		\$		\$	
	20 qts	\$		\$		\$	
	22 qts	\$		\$		\$	

CHEESE

Minimum Stock Requirements: Two varieties. Total of 8 pounds. No packages smaller than 8 ounces. **Minimum stock on hand?** Yes _____ No _____

product	Price (for sizes shown)					
	8 oz	9 oz	10 oz	12 oz	1 lb (16 oz)	2 lb (32 oz)
American Cheese	\$	\$	\$	\$	\$	\$
Cheddar Cheese (NO sharp or extra sharp)	\$	\$	\$	\$	\$	\$
Colby Cheese	\$	\$	\$	\$	\$	\$
Colby Jack Cheese	\$	\$	\$	\$	\$	\$
Monterey Jack Cheese	\$	\$	\$	\$	\$	\$
Mozzarella Cheese, Reg	\$	\$	\$	\$	\$	\$
Swiss Cheese	\$	\$	\$	\$	\$	\$

Chapter 5 - Vendor Relations

CEREAL				JUICE			
Minimum Stock Requirements: 5 varieties - four cold, one hot (minimum box size 8 oz., total of 12 boxes) Minimum stock on hand? YES _____ NO _____				Minimum Stock Requirements: Three varieties; equivalent combination of 24 - 46 oz. canned or 11.5 concentrate or 12 oz. frozen. Minimum stock on hand? Yes _____ No _____			
Cold Cereal				product			
product	unit size	price/unit		unit size	price/unit		
Banana Nut Crunch	15.5 oz	\$		Canned Apple Juice: Seneca Red Label, Tree Top	46 oz	\$	
Corn Chex	12 oz	\$		Canned Grape Juice: Welch's Purple or White	46 oz	\$	
Corn Chex	17.5 oz	\$		Canned Grapefruit Juice (any brand)	46 oz	\$	
Grape Nut Flakes	14 oz	\$		Canned Orange Juice (any brand)	46 oz	\$	
Grape Nut Flakes	18 oz	\$		Canned Pineapple Juice (any brand)	46 oz	\$	
Honey Bunches of Oats with Almonds	16 oz	\$		V8: Regular	46 oz	\$	
Honey Bunches of Oats with Almonds	32 oz	\$		Plastic Welch's Purple or White Grape	46 oz	\$	
Life, plain	15 oz	\$		Frozen Conc. Apple Juice - Seneca Red Label, Western Family, Tree Top	11.5 or 12 oz	\$	
Life, plain	21.5 oz	\$		Frozen Conc. Grape Juice - Welch's 100% Grape, White Grape or White Grape Blends	11.5 oz	\$	
Oat Bran	15.5 oz	\$		Frozen Conc. Orange Juice (any brand)	12 oz	\$	
Rice Chex	12 oz	\$		Frozen Conc. Grapefruit Juice (any brand)	12 oz	\$	
Rice Chex	17.5 oz	\$		Frozen Conc. Pineapple Juice (any brand)	12 oz	\$	
ONLY the following Store Brands are allowed for the cereals listed below as shown on the WIC Food List. They may include: Best Yet, Favorite, Fred Meyer, IGA, Malt-O-Meal, Ralston, Safeway, Western Family				Frozen Conc. Dole 100% Juice (any flavor)	12 oz	\$	
				Welch's 100% Juice (pourable concentrate - any flavor)	11.5 oz	\$	
				Juicy Juice (pourable concentrate - any flavor)	11.5 oz	\$	
Please write the brand and size(s) being priced.			INFANT FORMULA				
size	price/unit		Minimum Stock Requirements: Designated contract formula (Enfamil, Prosobee and Lactofree Iron Fortified) in powder and concentrate form. Total of :				
Bran Flakes		\$		32 - 12.9 oz cans	Enfamil Powder		
Corn Flakes		\$		31 - 13 oz cans	Enfamil Concentrate		
Crispy Rice		\$		9 - 14.3 oz cans	Prosobee Powder		
Frosted Shredded Wheat		\$		16 - 13 oz cans	Prosobee Concentrate		
Toasted Oats		\$		18 - 12.9 oz cans	Enfamil Lactofree Lipil Powder		
Hot Cereal			Minimum stock on hand? Yes _____ No _____ Exempt from stocking infant formula _____				
size	price/unit						
Cream of Wheat, 1 minute	28 oz	\$		Enfamil Concentrate	13 fl oz	\$	
Instant Oatmeal, regular flavor	11.8 oz	\$		Enfamil Powder	14.3 oz	\$	
Malt-O-Meal, Quick or Chocolate	28 oz	\$		Enfamil RTF	32 fl oz	\$	
Quaker Instant Grits; original	12 oz	\$		Lactofree Lipil, Concentrate	13 fl oz	\$	
INFANT CEREAL Minimum Stock Requirements: Two cereal grains (one must be rice) in 8 oz or 16 oz boxes; Gerber, Heinz, Beech Nut brands only. Total of 12 boxes. Minimum stock on hand? Yes _____ No _____				Lactofree Lipil, Powder	12.9 oz	\$	
			Lactofree Lipil, RTF	32 fl oz	\$		
			Prosobee Concentrate	13 fl oz	\$		
			Prosobee Powder	14.3 oz	\$		
			Prosobee Lipil, RTF	32 fl oz	\$		
Infant Cereal	8 oz	\$		Alimentum RTF	32 fl oz	\$	
Infant Cereal	16 oz	\$		Nutrigen Powder	16 oz	\$	
				Pregestimil Powder	16 oz	\$	
				Pediasure RTF	8 fl oz	\$	
				Similac Powder	14.1 oz	\$	

Pre-Agreement On-site Vendor Visit Report

WIC Pre-Agreement On-site Vendor Visit Report

Local agency: _____ Store Name: _____

Manager's Name: _____ Date of Visit: _____

1. Is the vendor located in an area convenient for local participants?
____ Yes ____ No
2. Does the vendor understand the WIC Program? (Who the WIC Program serves, what services it provides, what role the vendor plays in the WIC Program.)
____ Yes ____ No
3. Please complete and attach the WIC Food Price Sheet. Are the mandatory minimums of WIC foods stocked?
____ Yes ____ No

If not, list items that are not in stock:

4. Does vendor have fresh merchandise (no stale dated products) and has store been inspected for cleanliness?
____ Yes ____ No

Date of posted satisfactory inspection certificate: _____

5. Please review the terms of the WIC Vendor Agreement with the vendor. Does the vendor understand vendor responsibilities, and the penalties for not complying with the Vendor Agreement?
____ Yes ____ No

6. Was vendor oriented on warrant redemption procedure? _____yes _____no

7. Other comments and observations.

Chapter 5 - Vendor Relations

8. At this time, how many enrolled WIC participants live in the area where the vendor is located?

9. What hours of the day and days of the week is the vendor open?

I certify that I have visited this store and _____ do _____ do not recommend authorization as a WIC vendor.

I recommend that this vendor be exempted from the WIC minimum stock requirements for the following items: __ infant Formula __ infant Cereal __ fresh milk

Reason(s) for this recommendation:

(Printed Name)

(Title)

Signature

Date

**STATE OF ALASKA DEPARTMENT OF HEALTH & SOCIAL SERVICES
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS & CHILDREN**

VENDOR AGREEMENT

PLEASE TYPE OR PRINT CLEARLY

THIS AGREEMENT IS ENTERED INTO by and between:

«vendor»

Vendor Name/Doing Business As (hereinafter referred to as VENDOR); doing business at:

«address1»

«city»

«state»

«zip»

and the Alaska Department of Health & Social Services, Division of Public Health, Section of Maternal, Child and Family Health (hereinafter referred to as DEPARTMENT).

The Vendor is assigned the following VENDOR NUMBER for validating WIC Warrants:

«vndrno»

Vendor Number

The Department of Health and Social Services administers the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The Vendor agrees to adhere to all applicable existing regulations, policies, and operating procedures of the WIC Program and any subsequently enacted as a result of State or Federal legislation, including but not limited to 7 CFR Part 246; the Vendor shall carry out this Agreement in accordance with the non-discrimination provision of the U.S. Department of Agriculture regulations (7 CFR Parts 15, 15a and 15b) and must comply with the Civil Rights Act of 1964. The Vendor agrees to provide WIC approved foods to eligible participants, parents or caretakers of infant or child participants or proxies in accordance with the provisions of this Agreement. Vendor includes owners, officers, managers, agents, and employees. Vendor shall be accountable for actions of its owners, officers, managers, agents, and employees who commit vendor violations in the use of WIC warrants or provision of supplemental foods. The Department is under no obligation to re-authorize a WIC Vendor at the time of expiration of the WIC Vendor Agreement. Vendors may not appeal the expiration of the Vendor Agreement.

SECTION I - EFFECTIVE DATE, RENEWAL, AND TERMINATION

1. This Agreement shall be in effect from the date of signature by the representative of the Department through _____.
2. This vendor agreement does not constitute a license or a property interest. If the vendor wishes to continue to be authorized beyond the period of its current agreement, the vendor must reapply for authorization. If a vendor is disqualified, the State agency will terminate the vendor's agreement, and the vendor will have to reapply in order to be authorized after the disqualification period is over. In all cases, the vendor's new application will be subject to the State agency's vendor selection criteria (competitive price, minimum stock requirement, business integrity and Food Stamp Program compliance) and any vendor limiting criteria in effect at the time of the reapplication.

Any and all communications between the parties concerning re-authorization of an agreement shall be in writing to the Department and the individual listed in Section XIII of this Agreement.

3. Either the Vendor or the State of Alaska can terminate this Agreement for cause with not less than 15 days advance written notice.
4. The Vendor agrees to immediately provide the State of Alaska written notice when going out of business or when there is a change in ownership or location.
5. This Agreement is null and void if store ownership changes or if the Business Entity moves to a new location or new address.
6. The vendor must comply with the vendor selection criteria throughout the agreement period, including any changes to the criteria. Using the current vendor selection criteria, the State agency may reassess the vendor at any time during the agreement period. The State agency will terminate the vendor agreement if the vendor fails to meet the current vendor selection criteria.

SECTION II - NONDISCRIMINATION

1. The Vendor shall provide services to all qualified participants, parents or caretakers of infant or child participants, or proxies without regard to race, color, national origin, age, sex, or handicap.
2. Information concerning individuals participating in the Special Supplemental Nutrition Program (WIC) will be disclosed only to the Department or its authorized representative.
3. The Vendor shall offer program participants, parents or caretakers of infant or child participants, and proxies the same courtesies and services as offered to other

customers. The Vendor will serve WIC participants, parents or caretakers of infant or child participants, and proxies in the same checkout lines, following the same procedures as with other customers.

SECTION III - CERTIFICATION

1. The Vendor certifies that the Social Security Number or Federal Employer Identification Number (FEIN) specified in this Agreement is the same number filed for the same business entity with the USDA Food Stamp Program and/or with the Alaska Department of Revenue.
2. The Vendor certifies that if the Vendor has been authorized to participate in the USDA Food Stamp Program, that such participation has not been denied, suspended, disqualified, terminated, or assessed a civil monetary penalty during the two (2) years preceding authorization as a WIC Retail Vendor.
3. The Vendor certifies that neither the Vendor, nor any owner of thirty percent (30%) or more ownership shall have been terminated from the WIC Program in the previous two (2) years.

SECTION IV - AMENDMENTS

1. The Department may amend this Agreement, in writing, to include or incorporate additional provisions which shall be required as a result of a change in Federal or State statute or regulation or which shall be required by the Department for the administration, operation, or evaluation of the WIC Program. The Vendor shall receive thirty (30) calendar days notice of the effective date of such amendments.
2. Should any such amendment be determined to be unacceptable by the Vendor, the Vendor may voluntarily withdraw from participation.

SECTION V - ASSIGNMENT

1. The Vendor agrees not to sell, assign, or transfer in any manner this Agreement, WIC Authorization, or WIC Vendor Number. It is further agreed that any actual or attempted sale, assignment, or transfer of the above shall be considered a breach of this Agreement. The death of the Vendor (if an individual) or the voluntary or involuntary dissolution of a Vendor Corporation, partnership, limited partnership, unincorporated association or firm shall cause the Vendor's authorization and this Agreement to be terminated.

SECTION VI - CIVIL LAW SUITS

1. The Vendor further agrees to hold the Department harmless for any liability for any compensation, award, or damage in connection with the Vendor's performance as a

WIC Vendor for any injury which might occur to any of the Vendor's employees, WIC participants or others as the result of any act, omission, or negligence of the Vendor.

SECTION VII - CASHING WIC WARRANTS

1. WIC warrants will be accepted by the Vendor only:
 - (a) when presented by WIC participants, parents or caretakers of infant or child participants, and proxies with picture/or signature identification card which must be verified at time of purchase, and
 - (b) if date of WIC warrant has not been altered. Vendor shall accept WIC warrants only within the specified time period as shown by the dates indicated on the warrants.
2. The Vendor shall not require cash purchase or charge in any way for the use of the WIC warrants.
3. The Vendor shall allow only the authorized foods listed on the warrant and only in the quantities listed.
4. The Vendor shall charge only for the amount of food actually prescribed and selected. If a participant selects less than the prescribed amount, the vendor shall charge for only those foods selected.
5. Vendors in rural locations with a population of less than 5,000 shall issue a food pick-up slip for out-of-stock WIC items if the WIC food item will be delivered within the valid dates of the participant's WIC warrant.
6. The Vendor shall write "WIC" on cash register receipts for WIC purchases.
7. The Vendor shall not give the participants, parents or caretakers of infant or child participants, and proxies change when redeeming warrants. The Vendor also shall not provide cash or items of value to the participant in place of authorized supplemental foods.
8. The vendor shall not exchange WIC warrants for unauthorized food items, non-food items or credit (including rainchecks). Refunds and exchanges are allowed only for an identical authorized supplemental food item when the original authorized supplemental food item is defective, spoiled, or has exceeded its "sell by," "best if used by," or other date limiting the sale or use of the food item. An identical authorized supplemental food item means the exact brand and size as the original authorized supplemental food item obtained and returned by the participant, parent or caretaker of infant or child participants, and proxy.
9. Purchase prices must be entered on warrants before they are signed in the presence of the cashier by the participant, parent or caretaker of an infant or child participant, or proxy.

10. The purchase price charged to WIC participants, parents or caretakers of infant or child participants, and proxies for the supplemental foods shall be at the current price or at less than the current price charged to other customers. The purchase price shall be within the price limitation among peer grouped vendors in similar geographic areas doing a similar volume of business.
11. The Vendor shall not collect sales tax on WIC food purchases.
12. The Vendor shall deposit all WIC warrants within 90 days of the first valid date on the warrant. All WIC warrant deposits must be made directly to Vendor accounts. The Vendor may not sign over WIC warrants to any third party.

SECTION VIII - OTHER VENDOR RESPONSIBILITIES

1. The Vendor shall comply with any changes in procedures, WIC foods allowed, etc. once he/she is informed of them in writing.
2. At least one representative of the vendor must participate in training annually. The State agency will have sole discretion to designate the date, time, and location of all interactive training, except that the State agency will provide the vendor with at least one alternative date on which to attend such training. The Vendor shall train and inform cashiers or other staff of WIC Program requirements.
3. The Vendor shall not seek restitution from participants, parents or caretakers of infant or child participants, and proxies for WIC warrants not paid or partially paid by the State Agency.
4. The Vendor shall allow representatives for the State of Alaska to monitor for compliance with this Agreement. Access to shelf price records and WIC warrants redeemed will be provided.
5. Abuse or violation of the program by the vendor is just cause for suspension or disqualification.
6. The State agency may disqualify a food vendor for reasons of program abuse. The Vendor has the right to appeal a State decision to deny an application to participate or to disqualify the Vendor.
7. The Vendor agrees to stock the following category of approved foods, in the minimum amounts specified in the Minimum Stock Requirements, at all times:

Minimum Stock Requirements

Food Item	Type of Inventory	Quantities required to stock
MILK	<u>Fluid Milk (Whole/Skim/Low Fat):</u> gallon and half gallon <u>or</u> <u>UHT:</u> quart package <u>or</u> <u>Nonfat dry:</u> quart package <u>or</u> <u>Evaporated:</u> 12 oz can	Total of 18 gallons fluid milk Total of 54 quarts Total of 80 quarts when reconstituted Total of 96 - 12 oz cans
CHEESE	Two varieties from the WIC Food List: No packages smaller than 8 ounces	Total of 8 pounds
CEREAL	Five varieties (four cold, one hot) from the WIC Food List: Minimum box size 8 ounces	Total of 12 boxes
EGGS	Small, medium or large. White only	Total of 8 dozen
JUICES	Three varieties from the WIC Food List: frozen, concentrate or canned	Equivalent combination of: 24 – 11.5/12 oz frozen/conc, or 24 - 46 oz cans
CARROTS	Fresh, frozen (plain), or canned (plain)	4 - 2 lb. bags fresh, or 8 - 1 lb. bags frozen, or 8 - 14.5 oz cans
SALMON & TUNA	Pink, canned <u>and</u> Plain, packed in oil (no olive oil) or water	8-14.75 oz cans 16 – 6 or 6.25 oz cans
DRIED BEANS, PEAS & LENTILS & MIXED BEANS	Two varieties from the WIC Food List	4 - 1 pound bags
PEANUT BUTTER	Low sodium, Low sugar allowed. No low fat, or added marshmallow, jelly, honey or molasses. No organic.	4 - 18 oz jars
INFANT CEREAL	Two cereal grains: 8 oz or 16oz boxes (one must be rice) Gerber, Heinz and Beechnut brands only.	Total of 12 boxes
INFANT FORMULA	WIC contract formula (milk base <u>and</u> soy base) in powder and concentrate form (*Not required in small villages if there are no participants using them. Local WIC agency will inform vendors if there is need to stock items. Vendor must stock items within 72 hours of local WIC agency request.)	Total of 32 – 14.3 oz cans Enfamil powder Total of 9 – 14.3 oz cans Enfamil Prosobee powder* Total of 18 – 14.3 oz cans Enfamil Lactofree powder* Total of 16- 13 oz cans Enfamil Prosobee concentrate* Total of 31-13 oz cans Enfamil concentrate*

Vendors in rural locations with population of less than 5,000 are required to stock UHT, powdered and evaporated milk only, and are not required to stock fresh milk, infant formula or infant cereal. Local WIC agency will inform vendors if infant formula and infant cereal is needed to be stocked. Vendor must stock items within 72 hours of Local WIC agency request. Pharmacies must maintain a minimum formula stock and must provide special formula(s) within 72 hours.

8. The State agency shall disqualify a food vendor from participating in the WIC Program if that vendor has been disqualified from the Food Stamp Program. The WIC program disqualification shall be the same length of time as the Food Stamp Program disqualification and may begin at the same time or at a later date than the Food stamp program disqualification and shall not be subject to administrative or judicial review.
9. The Vendor agrees to pay any claim assessed by the State agency for any vendor violation within three weeks of receipt of written notification by the State. The State agency will provide the vendor with an opportunity to justify or correct the vendor overcharge or other error.
10. The Vendor must maintain inventory records used for Federal tax reporting purposes and other records required by the State agency for a minimum period of 2 years. Vendor agrees to make purchase invoices, inventory records of WIC items, all WIC warrants in the vendors' possession, and all program records available to the State agency, Comptroller General of the United States and/or representatives of the U.S. Department of Agriculture upon request.
11. The vendor shall submit twice a year a completed price sheet to the State WIC Office no later than September first and March first of every year.
12. The vendor is accountable for its owners, officers, managers, agents and employees who commit vendor violations.

SECTION IX - STATE OF ALASKA RESPONSIBILITIES

1. The State of Alaska shall assure payments for valid WIC warrants deposited in a timely manner and presented for payment in accordance with the requirements of this Agreement.
2. The State of Alaska shall make monetary claims for vendor violations that affect payment to the vendor. In addition to claims action, the vendor may be sanctioned for vendor violations in accordance with the State's sanction schedule. The State agency may establish a claim on the partial or full purchase price of each food instrument that contained a vendor overcharge or other error. The State agency may offset the claim against current and subsequent amounts to be paid to the vendor. The State agency will provide the vendor with an opportunity to justify or correct the vendor overcharge or other error.
3. The State of Alaska, or local designee, shall provide information to the Vendor on acceptable brands of food for the WIC Program.
4. The State of Alaska, or local designee, shall provide guidance, information, and training to the Vendor. The State of Alaska, or local designee, shall also perform reviews of the Vendor's operation and place of business.

5. The State of Alaska shall provide for administrative appeal in the event that a Vendor is denied participation, or is disqualified. The State of Alaska shall make available its administrative review upon request. The State agency may not provide administrative reviews in the following instances:
 - Validity or appropriateness of State agency's limiting or selection criteria;
 - State agency's participant access criteria and determinations, and determinations regarding a vendor's policy & program to prevent trafficking;
 - Authorizations subject to State agency's procurement procedures;
 - Expiration of the vendor agreement;
 - Disputes regarding food instrument payments, vendor claims, and disqualification as a result of disqualification from the Food Stamp Program.
6. The State of Alaska shall provide vendors with not less than 15 days advance written notice of adverse action to be taken during the course of the agreement performance period or the expiration of an agreement. Adverse action shall be implemented after the 15 day advance notice period has elapsed. No advance notice will be provided for a disqualification due to a conviction of trafficking or selling firearms or illegal substances in exchange for WIC food warrants.
7. The State of Alaska may make price adjustments to the purchase price on WIC warrants submitted by the vendor for redemption to ensure compliance with the price limitations applicable to the vendor grouped by peer groups. Peer groups are based on geographic area and volume of business.

SECTION X – SANCTIONS FOR WIC VENDOR VIOLATIONS

Sanctions may include monetary claims, penalty points, mandatory federal sanctions, civil money penalties, reciprocal Food Stamp/WIC Program disqualification and reciprocal WIC disqualification for a Food Stamp Program civil money penalty in lieu of disqualification for hardship. No prior warning will be provided by the State before imposing sanctions.

A vendor who commits fraud or abuse in the Program is liable for prosecution under applicable Federal, State or local laws. Those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine of not more than \$10,000 or imprisonment for not more than five years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1,000 or imprisonment for not more than one year or both.

1. VENDOR ERRORS

Most violations of WIC Program regulations made by vendors are a result of inadvertent error or misunderstanding of regulations, not deliberate fraud or abuse. Vendors will be notified of errors, and may be offered additional training opportunities by the appropriate local WIC agency. If errors continue, and it appears that efforts to deal with them through education are not effective, the State Agency may take administrative action such as issuing an administrative warning and/or placing the vendor on probation.

These types of violations may include but are not limited to the following:

- Collecting sales tax on WIC purchases.
- Accepting WIC warrants outside of the valid dates shown on the warrant.
- Requiring a customer to make a cash purchase to redeem a WIC warrant.
- Refusing to accept manufacturers' coupons for WIC purchases.
- Giving cash refunds for WIC purchases.
- Other errors in carrying out the routine provisions of the vendor agreement.

2. MONETARY CLAIMS BY THE STATE

The State agency will make monetary claims against a vendor for vendor violations. Monetary claims may constitute the partial or full purchase price of each food instrument that contained a vendor overcharge or other error. Monetary claims must be paid by the vendor within three weeks of notification.

The State agency may offset the claim against current and subsequent amounts to be paid to the vendor. The State agency will provide the vendor with an opportunity to justify or correct the vendor overcharge or other error.

IN ADDITION TO CLAIMS, if a pattern of redeeming warrants outside of valid dates, overcharges or other errors continues, the State agency may take administrative action such as issuing an administrative warning, placing the vendor on probation, suspending or disqualifying the vendor. Monetary claims by the State agency may include but are not limited to the following:

- Redeeming a WIC warrant outside the 30-day period during which it is valid for redemption by a WIC customer. These dates are printed on all WIC warrants. The claim will be the amount improperly charged for the WIC warrant(s).

- Charging a WIC customer more than the current shelf price for an item. The claim will be the amount improperly charged for the item(s).
- Improper WIC warrant redemption and/or charges which may include but not limited to:
 - incorrect signature of WIC participant or alternate;
 - missing/ineligible stamp of the Vendor ID number; and
 - incorrect change of dollar amount on the warrant.

3. PENALTY POINTS

Penalty points will be applied to vendors who violate WIC Program regulations, based on the severity and nature of the violations, whether the violations represent repeated offenses over a period of time, and whether the violations represent vendor policy or whether they represent the actions of an individual employee.

The following are subject to ten (10) penalty points for each single violation:

- Non-payment of monetary claims by the State agency within 3 weeks of notification.
- Failure to maintain an acceptable record of inventory of WIC foods.
- Failure to maintain the required minimum inventory of WIC foods on at least two monitoring visits.

Penalty points will accumulate for a two year vendor agreement period, and can result in the following:

20 points = 6 months probation
30 points = 1 year probation
40 points = 6 months suspension
More than 40 points = 1 year disqualification

- Twenty penalty points in a two year period will subject a vendor to six months probation, during which time the vendor can continue to redeem WIC warrants. An administrative warning letter will be issued to the vendor and the vendor must provide a plan of action to correct the violation. Any errors noted during the compliance buy(s) or audit will be added to points already accrued by the vendor.
- A total of 30 penalty points in a two year period will be grounds for one year of probation, during which time the vendor can continue to redeem WIC warrants. The vendor will be required to attend a mandatory training. Any errors noted during the compliance buy(s) or audit will be added to points already accrued by the vendor.
- A total of 40 penalty points in a two year period will be grounds for six months suspension. Effective on the date of suspension, the Vendor may not redeem any WIC warrants for 6 months.

- A total of more than 40 sanction points in a two year period will subject the vendor to one year of disqualification from the WIC Program. Effective on the date of disqualification, the vendor may not accept or redeem any WIC warrants for one year, and must reapply if they wish to become an authorized WIC vendor at the end of the disqualification period.

At the end of a two year vendor agreement period penalty point accrual ends, and begins again at zero points for the next vendor agreement.

4. MANDATORY FEDERAL SANCTIONS

Mandatory federal sanctions or civil money penalties will be imposed by the State agency for reasons of significant program abuse. Mandatory vendor sanctions are:

<u>Type of Sanction</u>	<u>Definition</u>
<ul style="list-style-type: none"> • Permanent disqualification 	A vendor <u>convicted</u> of trafficking in WIC warrants or selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) in exchange for WIC warrants.
<ul style="list-style-type: none"> • Six year disqualification 	<u>One incidence</u> of buying or selling WIC warrants for cash (trafficking); or one incidence of selling firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, in exchange for WIC warrants.
<ul style="list-style-type: none"> • Three-year disqualification 	<p>The State agency shall disqualify a vendor for three years for:</p> <ul style="list-style-type: none"> (a) One incidence of the sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC warrants; or (b) A pattern of claiming reimbursement for the sale of an amount of a specific WIC food item which exceeds the store's documented inventory of that WIC food item for a specific period of time; or (c) A pattern of charging WIC customers more for WIC food items than non-WIC customers or charging WIC customers more than the current shelf or contract price; or (d) A pattern of receiving, transacting and/or redeeming WIC warrants outside of authorized channels, including the use of an unauthorized vendor and/or an unauthorized person; or (e) A pattern of charging for WIC food items not received by the participants, parents or caretakers of infant or child

- participants, and proxies; or
 - (f) A pattern of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, in exchange for WIC warrants.
-
- One-year disqualification The State agency shall disqualify a Vendor for one year for a pattern of providing unauthorized food items in exchange for WIC warrants, including charging for WIC food items provided in excess of those listed on the WIC warrant.
 - Second mandatory sanction When a vendor, who previously has been assessed a sanction for any of the violations listed in this section, receives another sanction for any of these violations, the State agency shall double the second sanction.
 - Third or subsequent mandatory sanction When a vendor, who previously has been assessed two or more sanctions for any of the violations listed in this section, receives another sanction for any of these violations, the State agency shall double the third sanction and all subsequent sanctions.

5. CIVIL MONEY PENALTIES (CMP)

Civil Money penalties (CMP) may be imposed in lieu of disqualification if the State agency determines that the disqualification would result in (a) inadequate participant access or (b) the vendor had, at the time of the violation, an effective policy and program in effect to prevent trafficking; and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.

CMP are calculated based on the vendor's average monthly redemptions for at least a 6-month period multiplied by 10 percent and by the number of months for which the store would have been disqualified. The CMP shall not exceed \$10,000 for each violation. In addition, the total amount of CMPs imposed for violations investigated as part of a single investigation shall not exceed \$40,000.

The State agency cannot impose CMP in lieu of disqualification for third or subsequent sanctions for violations listed in the section on Mandatory Federal Sanctions.

If a vendor does not pay, only partially pays, or fails to timely pay a CMP assessed in lieu of disqualification, the State agency will disqualify

the vendor for the length of the disqualification corresponding to the violation for which the CMP was assessed.

The State agency will not accept voluntary withdrawal or non-renewal of contract from the Program as an alternative to disqualification for the violations, but will enter the disqualification on the vendor's record.

6. FOOD STAMP PROGRAM COORDINATION

The State agency shall disqualify a vendor who has been disqualified or assessed civil money penalty for hardship by the Food Stamp Program. WIC Disqualification due to Food Stamp program disqualification shall not be subject to administrative or judicial review under the WIC Program. A vendor may request an administrative review of a WIC disqualification based on an assessment of a civil money penalty for hardship by the Food Stamp Program.

Disqualification from the WIC program may result in disqualification as a retailer in the Food Stamp Program. Such disqualification may not be subject to administrative or judicial review under the Food Stamp Program.

SECTION XI - TERMINATION OF VENDOR AGREEMENT/DISQUALIFICATION OF VENDOR

A decision by the State agency to terminate a Vendor Agreement/disqualification of vendor will be based upon mandatory federal sanctions or a finding that one or more of the following has occurred:

- The vendor has accrued more than 40 sanction points during a two year vendor agreement period;
- The vendor has knowingly submitted false, erroneous, or inaccurate information on the WIC Vendor Application, in the business or financial information provided to the Department, on the WIC Food Price Sheet, or during the course of on-site monitoring of the vendor site;
- The vendor has refused to allow WIC Program representatives access to inspect the vendor site during normal business hours;
- The vendor has not fulfilled the terms of the Vendor Agreement;
- The vendor has sold, leased, or discontinued the Business Entity or moved the Business Entity to a new location or new address; or
- The vendor corporation, partnership, or limited partnership has been voluntarily or involuntarily dissolved or the vendor sole proprietor has died.
- The State of Alaska identifies a conflict of interest between the vendor and the State of Alaska or its local agencies.
- The vendor fails to meet the current vendor selection criteria.

SECTION XII - APPEALS

The State agency will provide vendors with not less than 15 days advance written notice by certified mail of adverse action to be taken during the course of the agreement performance period. Adverse action will be implemented after the 15 day advance notice period has elapsed.

A vendor may receive administrative appeal for the following: (except in cases of a reciprocal WIC disqualification as a result of Food Stamp Program disqualification):

- Deny a vendor's application to become an authorized WIC vendor.
- Impose penalty points on the vendor.
- Place the vendor on probation.
- Disqualify the vendor.
- Not re-authorize the vendor.

If the vendor chooses to appeal the action, the vendor must file a written appeal within 30 days with the Director of Public Health, Department of Health and Social Services, P.O. Box 110610, Juneau, Alaska 99811-0610. The appeal must include a statement setting forth the State agency action which the vendor is contending, and the reasons for appealing the action. Evidence supporting the vendor's statement should be included. A hearing will then be scheduled within 30 days of receipt of the request. The State agency will mail the notification of decision concerning an appeal to the vendor within 30 days after the date of the hearing. The vendor may appeal the decision through the courts.

SECTION XIII - OWNERSHIP AND PROGRAM AUTHORIZATION

The undersigned owner or authorized agent of the Vendor certifies that the Vendor meets all of the requirements set forth in this Agreement and further certifies that all statements and representations made in the WIC Vendor application and this Agreement are true and accurate. The undersigned further acknowledges that the State Plan provisions are incorporated by reference into and is a specific part of this Agreement.

«vendor»

STORE NAME (TYPE OR PRINT)

«address1»	«city»	«state»	«zip»
STORE STREET ADDRESS	CITY	STATE	ZIP

NOTE: If the Vendor is a corporation, all officers must be listed and the president of the corporation must provide the authorizing signature.

PRESIDENT (PRINTED ONLY)

SECRETARY (PRINTED ONLY)

VICE PRESIDENT (PRINTED ONLY)

TREASURER (PRINTED ONLY)

OWNER (PRINTED ONLY)

VENDOR PHONE NUMBER

SIGNATURE OF OWNER OR
AUTHORIZED AGENT

DATE

SOCIAL SECURITY NUMBER

OR

FEDERAL EMPLOYER
IDENTIFICATION NUMBER

STATE OF ALASKA REPRESENTATIVE

DATE

Chapter 5 - Vendor Relations

STORES IN THE CONTRACTING CHAIN INCLUDED IN THIS AGREEMENT ARE LISTED BELOW. FOR EACH STORE IN CHAIN, LIST NAME, TELEPHONE NUMBER, AND A CONTACT PERSON.

STORE NAME	STORE NAME
CONTACT PERSON	CONTACT PERSON
ADDRESS	ADDRESS
PHONE NUMBER	PHONE NUMBER
STORE NAME	STORE NAME
CONTACT PERSON	CONTACT PERSON
ADDRESS	ADDRESS
PHONE NUMBER	PHONE NUMBER
STORE NAME	STORE NAME
CONTACT PERSON	CONTACT PERSON
ADDRESS	ADDRESS
PHONE NUMBER	PHONE NUMBER

Vendor Monitoring Form

Instructions: Before visiting the store, review the vendor file to see if there are problem areas or training needs; for instance, problems with issuance of pick-up slips, warrant redemption, stocking requirements, authorized foods or other issues that may have resulted in warnings or sanctions. In rural areas, be prepared to provide store managers with information regarding current participation levels and stocking requirements. Information on vendor warnings or sanctions may be viewed on the AK WIC report # 602 or contact the State Vendor Staff for assistance, if necessary.

Please complete all information on this form thoroughly and accurately as it will be used to update vendor records at the State WIC Office.

Store Name _____ Vendor No. _____ Date _____

Address _____

Store Manager _____ Phone No. _____ Fax No. _____

Name of Reviewer _____ Title _____

Please check if this vendor is exempt from the requirement to stock:

_____ fresh milk _____ infant cereal and formula

PART I: ON-SITE MONITORING

A. **Interview with Store Manager/Representative:** Name _____

Title _____ Signature _____

1. Who has current ownership or corporate management of the store?

2. How long has current manager been working at the store?

3. What does he/she feel are the benefits of the WIC Program?

4. How are WIC warrants processed by the store.

- ☐ Yes ☐ No Are WIC warrants audited for errors?
By whom _____ ; How often _____
- ☐ Yes ☐ No Can warrants be traced to a cashier?
Who follows up on warrant errors _____
- ☐ Yes ☐ No Ask to see WIC warrants redeemed that day. Are warrants
filled out properly and used within allowable time frame?
- ☐ Yes ☐ No Select one or two redeemed warrants and compare the total price
written on the warrant(s) with the actual shelf prices for the items
listed. Is the price written on the warrant(s) less than or equal to the
highest possible price? (Assume all items on the warrant were
purchased and the highest-priced items available were selected.)
- ☐ Yes ☐ No During the past year has store been requested to reimburse
the State for warrants redeemed improperly or outside valid dates?

If warrants are not processed properly, what steps are taken to reduce warrant processing errors or reduce amount of penalties due to warrants redeemed outside of valid dates?

5. FOR RURAL VENDORS ONLY

- (a) Have any WIC Food Pick-Up Slips been issued at the store? ☐ yes ☐ no
- (b) If yes, inspect the store's *yellow* copies to see if they are completed correctly. Note any problems found, (such as multiple items or warrants on a slip, incorrect total prices, missing signatures or dates, or slips signed by participants *before* items are received). Review correct procedures with manager and/or employees and describe topics reviewed.
- (c) If no slips have been issued, does the store have any stock of unused pick up slips?
☐ yes ☐ no Are they stored in a safe place? ☐ yes ☐ no
- (d) Are participants being required to bring the *white* copies of pick-up slips to the store when they pick-up their items?
- (e) How is store documenting the date that items are received by participants?
- (f) Are participants allowed to pick-up items after the last valid date of their warrants?
☐ yes ☐ no

- (g) If the store has issued several pick-up slips per month on a regular basis, ask the manager why this is happening on a regular basis and how it can be resolved to assure that the store stocks adequate inventory of WIC foods.
 - (h) Randomly select a participant who has been issued a pick-up slip. Call the participant to verify if he/she has received the items on the pick-up slip.
6. Are there any problems with WIC customers or any other aspects of the Program? If so, describe:
7. Does he/she have any suggestions for improving the Program?
8. Is he/she aware of the WIC Program complaint form? ____ yes ____ no
9. If problems were identified during the monitoring visit, how does he/she plan to correct these problems?

B. Observations During Store Visit:

- 1. Are posters such as "We Accept WIC Warrants" displayed at the store indicating it is a WIC vendor? ____ yes ____ no
- 2. Does the store display WIC shelf tags to identify WIC-approved items? ____ yes ____ no
- 3. During the visit, did reviewer observe questionable treatment of a WIC participant or improper processing of a WIC warrant? If so, please describe:
- 4. Is store clean and well-organized?
- 5. Are perishable items stored under proper conditions and temperatures?

C. Interview with Cashier(s):

- 1. If possible, interviews with more than one cashier should be completed. Ask cashier(s) to briefly go over how he/she handles a WIC transaction. Check steps completed during transaction:

____ asks to see I.D. card	____ checks amounts and brands
____ checks dates on warrant	____ makes sure amount is filled in

___ separates WIC foods
from other purchases

___ checks for client's signature

2. Ask one or two cashiers to complete the cashier quiz, if it does not interfere with customer flow.

D. Training:

1. How do store employees learn about the WIC Program and receive training in WIC procedures? When was "in-house" cashier training last done?

2. Does the store provide WIC Vendor Manual, vendor guide, list of WIC foods, and warrant redemption procedures to cashiers?

3. Circle the types of training media that store employees have access to:
VCR/video Computer (CD-rom, DVD, or on-line) Teleconference

4. Was training conducted during the monitoring visit? ____ Yes ____ No
If no, when can training be scheduled? _____ (Federal regulations require that WIC vendors be trained regularly.)
If yes, list the topics discussed as well as the names of attendees.

Topics:

Attendees:

_____	_____
_____	_____

E. Check the store's minimum stock inventory using the checklist on the next page.

Minimum Stock Requirements

Food Item	Type of Inventory	Quantities required to stock	Minimum Stock	
			Yes	No
MILK	Fluid Milk (Whole/Skim/Low Fat): gallon and half gallon <u>or</u> UHT: quart package <u>or</u> Nonfat dry: quart package <u>or</u> <u>Evaporated</u> : 12 oz can	Total of 18 gallons fluid milk Total of 54 quarts Total of 80 quarts when reconstituted Total of 96 - 12 oz cans		
CHEESE	Two varieties from the WIC Food List: No packages smaller than 8 ounces	Total of 8 pounds		
CEREAL	Five varieties (four cold, one hot) from the WIC Food List: Minimum box size 8 ounces	Total of 12 boxes		
EGGS	Small, medium or large. White only	Total of 8 dozen		
JUICES	Three varieties from the WIC Food List: frozen, concentrate or canned	Equivalent combination of: 24 – 11.5/12 oz frozen/conc, or 24 - 46 oz cans		
CARROTS	Fresh, frozen (plain), or canned (plain)	4 - 2 lb. bags fresh, or 8 - 1 lb. bags frozen, or 8 - 14.5 oz cans		
SALMON & TUNA	Pink, canned <u>and</u>	8-14.75 oz cans		
	Plain, packed in oil (no olive oil) or water	16 - 6.25 oz cans		
DRIED BEANS, PEAS, LENTILS & MIXED BEANS	Two varieties from the WIC Food List	4 - 1 pound bags		
PEANUT BUTTER	Low sodium, Low sugar allowed. No low fat, or added marshmallow, jelly, honey or molasses. No organic.	4 - 18 oz jars		
INFANT CEREAL	Two cereal grains: 8 oz or 16oz boxes (one must be rice) Gerber, Heinz and Beechnut brands only.	Total of 12 boxes		
INFANT FORMULA	WIC contract formula (milk base <u>and</u> soy base) in powder and concentrate form (*Not required in small villages if there are no participants using them. Local WIC agency will inform vendors if there is need to stock items. Vendor must stock items within 72 hours of local WIC agency request.)	Total of 32 – 14.3 oz cans Enfamil powder Total of 9 - 14 .3 oz cans Enfamil Prosobee powder* Total of 18 – 14.3 oz cans Enfamil Lactofree powder* Total of 16- 13 oz cans Enfamil Prosobee concentrate* Total of 31-13 oz cans Enfamil concentrate*		

Vendors in rural locations with population of less than 5,000 are required to stock UHT, powdered and evaporated milk only, and are not required to stock fresh milk, infant formula or infant cereal. Local WIC agency will inform vendors if infant formula and infant cereal is needed to be stocked. Vendor must stock items within 72 hours of Local WIC agency request. Pharmacies must maintain a minimum formula stock and must provide special formula(s) within 72 hours.

PART II: AFTER THE ON-SITE VISIT

- A. Describe general impressions from the actual visit:
- B. Is stock adequate for the average number of WIC participants served by this store?
- C. Describe any problem areas:
- D. Based on participant complaints and on-site monitoring visit, has this vendor:

YES NOT
 NO Sure

___	___	___	Provided cash or credit for food instruments?
___	___	___	Provided non-food items for WIC food items?
___	___	___	Provided unauthorized food items?
___	___	___	Charged WIC customers more for food than non-WIC customers?
___	___	___	Charged for food items not received?
___	___	___	Charged State for food provided in excess of foods on warrants?
___	___	___	Redeemed warrants before or after the 30-day period specified?
___	___	___	Charged State for pick-up slip items not received by participants?

- E. Reviewer's recommendations: (Briefly describe reason(s) for recommending authorization or non-reauthorization of Vendor agreement.)

F. Signature of Reviewer _____ Date _____

WIC Secret Shopper Report Form

Date of Secret Buy _____ Name of Cashier _____

Name of Store _____

Address: _____

WIC Warrant Number _____ WIC Warrant Number _____

WIC Warrant Number _____ WIC Warrant Number _____

Part I: Warrant Cashing Procedure

1. The cashier looked at my ID. ☐ Yes ☐ No
2. The cashier checked the dates on the warrant. ☐ Yes ☐ No
3. The cashier checked that all foods were WIC foods as listed on the warrant. ☐ Yes ☐ No
4. The cashier rang up the sale and wrote the actual amount of the sale in ink on the warrant. ☐ Yes ☐ No
5. The cashier asked me to sign the warrant after the actual amount of sale had been written on the warrant. ☐ Yes ☐ No
6. The cashier compared my signature to the one on my ID card. ☐ Yes ☐ No
7. The cashier wrote "WIC" on my cash register receipt. ☐ Yes ☐ No
8. I was treated as courteously as other shoppers in the store. ☐ Yes ☐ No

Part II: Secret Shopper Information

I certify that the information provided above is correct:

Name of Secret Shopper (Printed) _____

Social Security Number _____ Telephone No. _____

Address _____

Signature of Secret Shopper: _____ Date: _____

Procedure for Secret Shoppers

A. Selection of Secret Shopper

The local agency must be careful in the selection of the secret shopper. The secret shopper must be a reliable WIC participant or guardian. A secret shopper must be at least 18 years of age and embody ethnic characteristics of WIC participants in the area where the secret buy will be conducted. Proxies and participants who work for a WIC vendor, or non-retail grocer and WIC staff are not eligible to become a secret shopper. Military personnel are prohibited by law from investigating activities of civilians and are also not eligible to become a secret shopper.

A secret shopper should not disclose the secret buy activities to anyone except their immediate family.

B. How to conduct a secret buy and responsibilities of a secret shopper

1. Remain passive in all dealings with store employees or agents. Secret shopper must follow the lead of the store clerk.
2. Wear clothing that will blend in the area.
3. Purchase all foods listed on the WIC warrant in the quantities and types listed.
4. Select the correct foods.
5. Present the warrant at the checkout counter.
6. Casually observe WIC cashing procedures.
7. Submit a completed secret shopper report form within five working days.
8. Submit receipts of the secret buy, if available.

C. Payment of services

Secret shoppers will be paid promptly by the state office upon submission of the completed secret shopper report form.

D. Notice to vendor regarding the secret buy

The state office will notify the store about the secret buy. A congratulation letter with an award pin and card will be sent to the store if the cashier correctly transacted the WIC warrant. If the WIC warrant was incorrectly transacted by the cashier, a letter addressing training needs will be sent to the store.



Congratulations! You have been selected to be a WIC Secret Shopper. You will help WIC give a better service by checking on how well store cashiers serve WIC customers.

What Will I do?

You will take your regular WIC warrants to a store, choose your WIC foods and take them to a cashier stand. You will watch how the cashier processes your warrants and foods. If the cashier does something wrong in processing your warrants and foods, you will not say anything. You will then complete a WIC Secret Shopper Report Form and give it to the WIC office within three working days.

WIC will send a congratulation letter with an award pin and card if the cashier processes your warrants correctly. If the cashier does something wrong in processing your warrants, WIC will send a letter asking the store to correct how the cashier processes WIC warrants. Your name will not be given to the store.

Will I get paid for doing this?

You will fill out a WIC secret shopper report form for each buy you make. You will be paid \$25.00 for each secret buy. You may use one or all of your warrants during the secret buy. Please make sure that Part II: 'Secret Shopper Information' of the secret shopper report form is completed so we can mail your check to you.

How will I know if the cashier does everything right?

If the cashier follows the procedures on your secret shopper report form, then he or she has done everything right. If a mistake was made, you can mark it on your report form.

ALASKA WIC PROGRAM COMPLAINT REPORT

Complaint against: ☐ Vendor ☐ Participant ☐ Alternate ☐ Other _____

Complaint submitted by: ☐ Vendor ☐ Participant ☐ Alternate ☐ Other _____

Name/Store _____ **Phone #** _____

Address/Store branch_____

Witness _____ **Phone #** _____

What happened: (include names, time, date, warrant number/s (Attach additional pages if necessary)

[illegible]

(Date)

(Signature of Complainant)

Office use only

Complaint accepted by _____ Date _____

Name of Local Agency: _____

Local Agency Action Taken: _____

Original to State Vendor Coordinator - Keep copy for Local agency files

**MAIL OUT FOOD PACKAGE REPORT
DAMAGED, DELAYED OR MISSING WIC FOOD ITEMS**

Section I - Local WIC Agency to complete and fax to Fred Meyer @ 907-789-9865 and Vendor Coordinator @ 907-465-3416.

Date: _____

Local Agency _____

Participant/s Name/s: _____

Participant Address: _____

Date Order was sent to Fred Meyer: _____ Order #: _____

Date of Delivery to Client Address: _____

☐ Missing Item(s)

☐ Damaged Item(s)

List product name, size and quantity:

List product name, size and quantity:

_____	_____
_____	_____
_____	_____

☐ Food Box Late

☐ Not Received

☐ Wrong Items Sent

Indicate delay:

List wrong product/s received:

☐ Over 10 days late

☐ Over 15 days late

☐ Over 20 days late

Section II - Fred Meyer to complete (**within 24 hours of receipt**) and fax to local agency and vendor coordinator.

Date: _____

Damaged / Missing / Item(s) Not Received

Date of reshipment via priority mail: _____

Postage \$ _____

WIC Food Pick-up Slip Instructions

The WIC Food Pick-Up Slip is used when there are inadequate WIC food item/s on stock at your store. The **manager/in-charge** is responsible for issuing WIC Food Pick-up Slips to WIC participants. The WIC Food Pick-Up Slip is a triplicate form that must be used in sequential **numerical control number** and can **only** be issued if:

- the WIC food item will be delivered within the valid dates of the participant's WIC warrant and;
- there are no alternative WIC food item choices available (for example: slips cannot be issued for KIX or apple juice if other WIC cereal or juice choices are available).

Instructions for issuing WIC Food Pick-up Slip are as follows:

When your store gives WIC Food Pick-up Slips

1. Check participant's WIC warrant dates versus the delivery date of the WIC food item.
2. If the delivery date of the WIC food item is **within** the participant's WIC warrant valid dates, fill in the following information:
 - ✓ WIC Vendor Stamp
 - ✓ Name of Store
 - ✓ Date
 - ✓ Name of WIC Participant
 - ✓ Participant's Phone Number
 - ✓ WIC Warrant Number
 - ✓ Valid Dates of WIC Warrant
 - ✓ Name and Signature of Manager/In-Charge
 - ✓ Name and Amount of WIC Food Item to be Picked -Up with corresponding Price (\$), and Estimated Date WIC Food Item will be Available
3. Tell the WIC participant to:
 - show the WIC Food Pick-up Slip at the cash register when she is done shopping so that the cashier can include the price of the out of stock WIC food item on the WIC warrant; and
 - return to the store **with the WIC Food Pick-up Slip** on the delivery date of the WIC food item.
4. Submit pink copies of the WIC food pick-up slips at the end of the month to the State WIC office.

When WIC Participant Picks-Up WIC Food Item

1. Ask the WIC participant to sign white and yellow copy.
2. The manager/in charge signs also.
3. Submit white copies of the WIC food pick-up slip that has the participant's signature to the State WIC Office at the end of the month.
4. Retain yellow copy for your store's record.

Voided WIC Food pick-up slips **must** be mailed to the State WIC Office at the end of the month. The State WIC office will request a refund from vendors for (1) WIC food items provided after the last day of the 30-day valid dates of the WIC warrant and (2) pick-up slips without the participant's signature.

Do not accept WIC Food Pick-Up slips issued by other WIC stores.

Sample Food Pick-Up Slip

WIC Food Pick-Up Slip		Control No. –xxxxx
This slip can <u>only</u> be issued if the WIC food item will be delivered within the valid dates of the participant's WIC warrant. Use one slip for <u>each</u> food item that is out of stock.		<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto;">WIC Vendor Stamp</div>
<u>When your store gives WIC Food Pick-up Slip</u>		
Name of Store _____		Date _____
Name of WIC Participant _____		Phone # _____
WIC Warrant Number _____		From: _____ To: _____
Valid Dates of WIC Warrant		
Name and Signature of Manager/In-Charge _____		
<u>Name and Amount of WIC Food Item to be Picked-up</u>	<u>Price (\$)</u>	<u>Estimated Date WIC Food Item will be Available</u>
<u>When WIC participant picks-up WIC food item</u>		Date _____
_____ Signature of Participant/Guardian/Alternate		_____ Signature of Store Manager/In-Charge
<i>White Copy- Participant/Guardian Yellow Copy- Store Pink Copy – State WIC Office</i>		